

Priority 10

Segmented Governmental Commitment to Renewable Energy

Barrier 10.a

Conflicting objectives of, and lack of coordinating between, various government agencies and departments regarding formulation and implementation of energy policy.

DEFINITION:

At times, various state agencies appear to be pursuing different objectives which are not all necessarily supportive of renewable energy development.

DISCUSSION:

There was no consensus on this barrier.

Chapter 196, HRS, appoints the Director of the Department of Business, Economic Development, and Tourism as Energy Resources Coordinator responsible for state-wide energy planning and coordination, and as energy advisor to the Governor, the Legislature, industry, and other levels of government. The State of Hawaii Energy Policy Statement, developed with the cooperation of the Hawaii energy community members of the Energy Policy Advisory Committee, stresses the importance of renewable energy as follows:

The State shall encourage the development of its renewable energy resources in a socially and environmentally sensitive and cost effective manner. Renewable energy research, development, and demonstration activities will be prioritized to advance those resources which have high commercialization potential and high benefit/cost ratio. The incorporation of renewables and alternative fossil fuels shall be considered in determining a practical energy strategy. DBEDT clearly supports renewable energy, but must also support overall Administration policy. The Administration policy may vary depending on each individual agency's goal. For example: the Department of Taxation has the mission of maximizing revenues and supporting the Governor's budgetary goals. Thus during the 1994-1995 legislative session, the Tax Department proposed elimination of tax credits for alternative energy. While the Consumer Advocate represents the ratepayers whose primary interest may be monetary cost of service, due to the current absence of a process that actually internalizes social, economic, cultural, and environmental externalities.

STRATEGIES:

Strategy 10.a.1 The Director of DBEDT should assert his role as Energy Resources Coordinator.

DISCUSSION:

Proponents maintain that, based upon the Governor's guidance as to the priority of renewable energy in this Administration, the role of incentives and tax credits, and other aspects, Administration agencies should adopt consistent policies, as coordinated by the Energy Resources Coordinator. The legislature, as a separate body of government, has established the statutory authority and appropriate roles of the Energy Resources Coordinator and should therefore be consulted regarding policies relating to renewable energy development.

Opponents maintain that agencies must always take into consideration their different statutory functions.

VEHICLE: DBEDT Action

AGENCY: DBEDT

POSITION OF THE PARTIES:

PROPOSERS: d, r, ki, m, h, n, z

OPPONENTS:

NO POSITION: ke, heco, p, i, krl, w, ers, ca

Strategy 10.a.2 Convene a workshop of all affected agencies to resolve the conflicting objectives and develop a streamlined, coordinated effort to promote the development of renewable energy resources.

DISCUSSION:

This could include the above agencies plus the permitting agencies and the Department of Budget and Finance. It could help to implement the Consolidated Application Permitting process supported by the Administration, as well as the Permit Facilitation Act of 1985, amended in 1987, and provide a means of resolving conflicting policies.

VEHICLE: Workshop

AGENCY: DBEDT or OSP

POSITION OF THE PARTIES:

PROPONENTS: d, r, ki, m, h, n, z

OPPONENTS:

NO POSITION: ke, heco, p, i, krl, w, ers, ca

Strategy 10.a.3 The Administration or Legislature should establish clearly stated renewable energy and diversification goals to support the State of Hawaii Energy Policy Statement.

VEHICLE: Legislation

AGENCY: Administration and/or Legislature

POSITION OF THE PARTIES:

PROPOSERS: d, r, ki, m, h, n, z

OPPONENTS: heco

NO POSITION: ke, p, i, krl, w, ers, ca

Strategy 10.a.4

**Set-asides or procurement targets for renewable energy could be set by the Administration or Legislature.
(See Appendix C)**

DISCUSSION:

This strategy did not have consensus.

Proponents maintain that defined goals are necessary to accomplish the stated policy.

Opponents maintain that the IRP process is the proper context for setting these goals for electric utilities.

VEHICLE: Executive order or legislation

AGENCY: Administration or Legislature

POSITION OF THE PARTIES:

PROPOSERS: d, r, p, ki, m, krl, i, ers, z

OPPOSERS: heco, ke

NO POSITION: m, w, h

Barrier 10.b

Fragmentation of state efforts and overlap of functions of various organizations with respect to renewable energy research, development, demonstration and commercialization.

DEFINITION:

A variety of state or largely state-funded organizations are involved in renewable energy research, development, demonstration, and commercialization. These include DBEDT, HNEI, NELHA, various departments at UH, and PICHTR.

DISCUSSION:

One of the findings of the Hawaii Integrated Energy Policy process in 1991 was that: Hawaii's extensive renewable energy research and development activities are not being conducted within a coordinated and comprehensive frame-work. Numerous public and private institutions receive state funding to advance the commercial status of renewable energy and energy efficiency. However, there is limited coordination, and in some cases overlap of responsibility among these institutions activities. Moreover, many renewable energy technologies have not progressed beyond the demonstration stage. If renewable energy technologies are to make a significant impact in Hawaii, better coordination of funds and activities is needed. Grid-connected technologies need electric utility involvement to determine the feasibility and compatibility with existing systems.

The administration is currently taking steps to enhance coordination of renewable energy research, development, demonstration, and commercialization. However, unless and until a coordination mechanism is established, this will remain a barrier.

STRATEGIES:

Strategy 10.b.1 The Energy Resources Coordinator should take the lead in coordinating all state-funded energy research, development, and demonstration activities. This is within his charter.

POSITION OF THE PARTIES:

PROPOSERS: d, ki, m, h, n, z

OPPOSERS:

NO POSITION: heco, ke, p, krl, i, w, ers, ca

Strategy 10.b.2 An analysis and restructuring of involved agencies should be led by DBEDT to develop a streamlined, coordinated effort to conduct the research and development of renewable energy.

POSITION OF THE PARTIES:

PROPOSERS: d, ki, m, n, z

OPPOSERS:

NO POSITION: heco, ke, p, krl, i, h, w, ca, ers

Strategy 10.b.3

Utilities, renewable energy developers, and the state should jointly encourage and support research to improve the performance of renewable energy systems, lower their costs and demonstrate the technologies.

VEHICLE: 1. Organizational analysis of state-funded RE research & development organizations and restructuring plan with proposed legislation, as required by law.

2. Cost-shared RE research, development, demonstration and commercialization projects.

AGENCY: 1. DBEDT with approval from the Governor and State Legislature.

2. DBEDT, Utilities, RE developers, University of Hawaii, PICHTR, NELHA, and federal funding agencies.

POSITION OF THE PARTIES:

PROPOSERS: heco, ke, d, ki, m, h, z

OPPOSERS:

NO POSITION: p, krl, i, w, n, ca, ers